

STATE OF SOUTH CAROLINA

(Caption of Case)

Application of Jacobb Utilities, LLC for retroactive approval of the Water System Purchase Agreement for Cedar Ridge Estates Subdivision in Jackson County, North Carolina

242488
BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2013 -108 - W

(Please type or print)

Submitted by: Stephen R. Goldie

SC Bar Number:

Address: JACABB Utilities, LLC

Telephone: 864-882-8194

210 W. North 2nd St.

Fax: 864-882-0851

Seneca, SC 29678

Other:

Email: sheilat@goldieassociates.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☒ Request for item to be placed on Commission's Agenda expeditiously

☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input checked="" type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input checked="" type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

RECEIVED
MAR 20 2013
PSC SC
MAIL / DMS

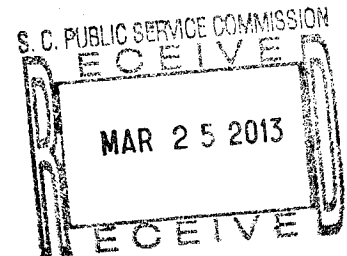
2013-103-W
242488



March 21, 2013

VIA - FIRST CLASS MAIL

The Honorable Jocelyn D. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, SC 29210



RE: Application of JACABB Utilities, LLC for Retroactive Approval of the Water System Purchase Agreement for Cedar Ridge Estates Subdivision in Jackson County, North Carolina

Dear Ms. Boyd:

Enclosed for filing are the original and one (1) copy of the Application of Jacabb Utilities, LLC in the above reference matter. I would appreciate your acknowledging receipt of this document by date-stamping the extra copy of this letter that is enclosed and returning it to me via first class mail. *oe*

By copy of this letter, I am serving the Office of Regulatory Staff and enclose a certificate to that effect. If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

JACABB UTILITIES, LLC

A handwritten signature in black ink, appearing to read "S. Goldie".

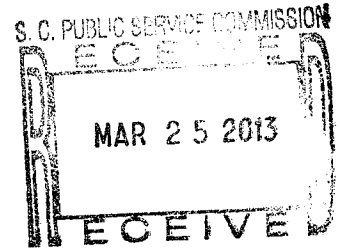
Stephen R. Goldie
Managing Owner

Enclosure

cc: Dukes Scott, Executive Director, ORS
Steve Eakes, Attorney

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2013-_____-W



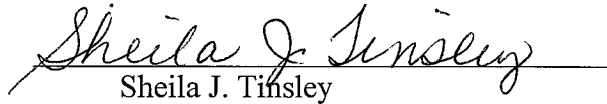
IN RE:

Application of Jacabb Utilities, LLC for
Retroactive Approval of the Water System
Purchase Agreement for Cedar Ridge
Estates Subdivision in Jackson County,
North Carolina

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of the
Application by placing same in the care and custody of the United States Postal Service
with first class postage affixed thereto and addressed as follows:

Dukes Scott
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201


Sheila J. Tinsley

Seneca, South Carolina
This 21 day of March 2013

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2013-108-W

IN RE:

Application of JACABB Utilities, LLC for)	
Retroactive Approval of the Water System)	
Purchase Agreement for Cedar Ridge)	APPLICATION FOR
Estates Subdivision in Jackson County,)	APPROVAL OF CONTRACT
North Carolina)	
_____)	

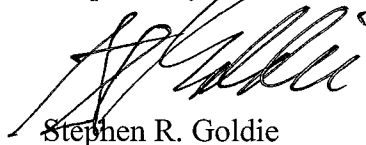
JACABB Utilities, LLC (“Applicant” or “Utility”) submits this Application for retroactive approval of its purchase of the Cedar Ridge Estates Water System in Jackson County North Carolina. JACABB Utilities, LLC files this Application pursuant to 26 S.C. Code Regs. R. 103-743 (Supp. 2012) and the Commission’s rules of practice and procedure. In support of its request of relief, the Application respectfully submits:

1. Applicant is a company organized and existing under the laws of the State of South Carolina.
2. Applicant is a public utility as defined by S.C Code Ann. § 58-5-10(4) (Supp. 2012), and subject to the regulatory jurisdiction of the Commission. The Applicant provides sewer and water services to customers in its approved locations in Anderson, Greenville, Laurens, and Oconee Counties South Carolina.
3. Regulation 103-743 of the South Carolina Code of Regulations provides that an Applicant seek the Commission’s approval of contracts or agreements which “impact, pertain to, or effect...” its “ability to provide water service, including but not limited to treatment and said water...” 26 S.C. Code Regs. R. 103-743 (Supp. 2012).
4. On July 11, 2011 the Applicant entered into an agreement with the Cedar Ridge Estates Property Owner’s Association in Jackson County North Carolina to purchase the water system that serves this subdivision. The agreement is attached as Exhibit A.

5. The Applicant submitted the application to the North Carolina Utilities Commission (NCUC) for approval, Docket Number W-1298, Sub 0. Docket Number W-1298, Sub 0 was approved and order issued May 2, 2012. The Order Granting Franchise, Approving Rates, and Requiring Customer Notice is attached as Exhibit B. Through inadvertence, the Applicant did not obtain approval of the South Carolina Public Service Commission.
6. The Applicant, therefore, seeks the Commission's retroactive approval of the Cedar Ridge Water System Purchase Agreement with an effective date retroactive to July 11, 2011.
7. The Applicant believes that the Cedar Ridge Water System will not have any adverse effect on the Applicant's fitness, willingness, or ability to provide water service to any of its present or future customers.

Therefore, having fully set forth its Application, the Utility prays that the agreement be approved *nunc pro tunc*; that review of the within Application be expedited, and that the Applicant be granted such other and further relief as the Commission may deem just and proper.

Respectfully submitted



Stephen R. Goldie
Managing Owner

JACABB UTILITIES, LLC
210 West North Second Street
Seneca, SC 29678

This 21th day of March, 2013
Anderson, South Carolina

EXHIBIT A

**WATER SYSTEM ASSET
PURCHASE AGREEMENT**

STATE OF NORTH CAROLINA) WATER SYSTEM
) ASSET PURCHASE
COUNTY OF JACKSON) AGREEMENT

THIS WATER SYSTEM ASSET PURCHASE AGREEMENT (hereinafter the “Agreement”) is made and entered into this 11th day of July, 2011, by and between Cedar Ridge Estates Property Owner’s Association (“POA”), an association organized and existing under the laws of North Carolina, hereinafter referred to as “Seller”, and JACABB Utilities, LLC, a North Carolina limited liability company, hereinafter referred to as “Buyer” or “Utility”.

RECITALS

1. The Seller owns a water system serving the property owners in Cedar Ridge Estates (the “Subdivision”) in Jackson County, North Carolina. This water system is hereinafter referred to as the “System”.
2. The Seller desires to sell and the Buyer desires to purchase all of the properties, assets, and rights of the Seller in and to the System, subject to the prior approval by the North Carolina Department of Environment and Natural Resources (“NC DENR”) and the North Carolina Utilities Commission (“NCUC”).
3. The Seller is willing to sell and to transfer such properties, assets, and rights to the Buyer in consideration of the purchase price set forth in Section Two hereof and in consideration of the Buyer assuming and agreeing to be responsible for the operation and maintenance of the System.

In consideration of the mutual covenants and promises contained in this Agreement, the parties hereto agree as follows:

SECTION ONE
SUBJECT MATTER

Subject to the terms and conditions of this Agreement and the recitals hereinabove, the Seller agrees to sell and deliver to the Buyer, and the Buyer agrees to purchase and to take from the Seller at Closing:

1. All of the properties, assets, licenses and permits, contracts, accounts receivable, and other rights of Seller of every kind and description,

real, personal, mixed, tangible, and intangible, wherever situated, utilized in the operation of the Cedar Ridge Estates Water System in Jackson County, North Carolina, and as listed on the attached Exhibit "A", which is incorporated herein by reference (the "Assets").

2. At Closing, the Buyer shall assume and be responsible for the maintenance and operation of the System.
3. Up until the Date of Closing, Seller shall be responsible for the continued operation of the System.
4. At Closing, Seller and Buyer shall enter into a 99 year lease (the "Lease") for the lease of the water tank lot (the "Lot") more fully described in Exhibit "B" attached hereto and incorporated herein by reference.

SECTION TWO **CONSIDERATION**

At Closing, as consideration for the sale and transfer of the System to the Buyer, the Buyer agrees to pay to Seller the Purchase Price of One and no/100 (\$1.00) Dollar.

SECTION THREE **CONTINGENCIES**

This Agreement is made subject to the following contingencies:

1. This Agreement is specifically conditioned upon, and expressly subject to, the final approval of this sale prior to Closing by both the North Carolina Department of Environment and Natural Resources and the North Carolina Utilities Commission. Within 20 days of the date of this Agreement, Utility will apply to the NCUC for a Certificate of Public Convenience and Necessity ("Certificate"). All terms and conditions contained herein are subject to Utility receiving said Certificate from the NCUC.
2. The execution by Buyer and Seller of the Lease for the property described in Exhibit "B".
3. The conveyance of the Assets free and clear of all liens and encumbrances.
4. Buyer being able to obtain all permits and licenses necessary for the operation and maintenance of the System.

SECTION FOUR

CLOSING

1. Closing Date. Unless the Closing Date is extended by the mutual consent of the parties, the Closing will be held within ninety (90) days after the execution of this Agreement, or sooner if the required approvals are obtained and the other conditions and contingencies are met. The parties may mutually agree to extend the Closing Date by entering into an amendment to this Agreement.
2. Closing. On the Closing Date, the following shall occur, subject to the satisfaction of the terms and conditions of this Agreement.
 - a. The Seller and the Buyer shall execute the Lease, which Lease shall also provide access to the Lot. A Memorandum of Lease reflecting the basic terms of the Lease shall also be executed and shall be recorded in the deed records of Jackson County, N.C. following the Closing.
 - b. The Seller shall execute and deliver to the Buyer an assignment of leases or rental agreements (if any) affecting the Assets.
 - c. The Seller shall execute and deliver a Bill of Sale and/or a Warranty Deed transferring all the Assets of the System to the Buyer free and clear of all liens and encumbrances.
 - d. The Seller shall transfer and convey to Buyer right-of-way easements, access easements and such other easements as are necessary for the operation of the System by Buyer.
 - e. The Seller shall deliver possession of and access to the System and all of the Assets purchased by Buyer at Closing.
 - f. The Closing costs shall be paid by the parties as follows:
 - Seller: To pay its own attorney's fees.
 - Buyer: To pay its own attorney's fees, any recording fees associated with the Closing and any other acquisition costs which it incurs.
 - g. The Seller shall deliver to Buyer at Closing all records pertaining to and necessary for the operation of the System, all records pertaining to the Assets being purchased, and all other information on file regarding the System.

- h. The Seller shall provide an assignment of the right to provide water service to all property owners of the Subdivision.

SECTION FIVE
SELLER'S REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to, and agrees with, Buyer as follows:

1. Seller is an association duly organized, validly existing, and in good standing under the laws of North Carolina, with full corporate power and authority to own its property and to conduct the business that it presently conducts.
2. There are no actions, suits, claims, investigations, or legal or administrative or arbitration proceedings pending against or involving Seller, or to Seller's knowledge threatened against it, except for the following: a dispute between Seller and the Department of Natural Resources with respect to a \$250.00 fine which the Seller has paid, but the Department of Natural Resources does not acknowledge receipt of said amount.
3. Until the Closing Seller will continue to operate and conduct the System in the usual, regular, and ordinary manner in all material respects. Seller has no knowledge of any facts or circumstances which would cause Seller to believe that there would be any material adverse changes in the operation of the System or with respect to the Assets being sold prior to the Date of Closing.
4. Seller warrants that it has paid any and all payroll, sales, use, workers' compensation, or other such taxes (to the extent that Seller is obligated to pay any such taxes) that the Seller would owe on or before the date and time of Closing.
5. Seller warrants and represents that the Assets to be transferred are debt free and that, as of Closing, there shall be no liens, encumbrances, or claims of any kind against said Assets to be transferred, and that there are no other parties claiming an interest in said Assets.
6. From the date of this Agreement through the Closing, except for Well #2 which is currently not on-line, Seller shall keep all of the Assets in a normal state of repair and operating efficiency, customary in the business.

7. Seller has the legal power and right to enter into and perform this Agreement. The consummation of the transactions contemplated by this Agreement will not violate Seller's By-laws, and, to the best of Seller's knowledge, will not violate any law, statute or regulation to which Seller is subject.
8. All financial statements of the System furnished to Buyer by Seller under this Agreement are true, correct, and complete statements of the financial condition of the System as, at, and for the period specified.
9. Seller has filed all federal, state, county and local income, withholding, FICA, excise, property, sales, and use, and other tax returns that are required to be filed by it, and has paid all taxes due for periods prior to the date of this Agreement. There are no facts or circumstances as of the date of this Agreement known to Seller that might serve as the basis for the creation of liens or liabilities against the Assets being sold hereof.
10. Seller, as of Closing, shall provide good and marketable title as hereinabove agreed to all the properties, Assets, and rights to be delivered by it to Buyer free of all liens, charges, encumbrances except (1) taxes constituting a lien but not yet due and payable, (2) defects or irregularities of title or encumbrances that are not such as to interfere materially with the operation or use or materially reduce the value of any such property, asset, or right or materially affect title to the property, and (3) such other defects or irregularities of title or liens or encumbrances as Buyer may have waived in writing or as are contemplated above in Sections Three and Four and agreed to by Seller's and Buyer's execution hereby.
11. Seller has not employed any broker or agent with respect to the sale and purchase contemplated in this Agreement, nor taken any other action, nor will Seller take any such action, that would cause the Buyer to become liable for the payment of any finder's fee, broker's fee, or commission.
12. As of the Closing, Seller should hold all licenses and permits necessary or appropriate for the operation of the System, and the licenses and permits shall be current and in good standing.

13. The consummation of this Agreement does not violate any Agreement to which the Seller is subject.
14. All Assets are sold and transferred in "as is" condition as of the Date of Closing.

SECTION SIX
BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents, warrants to, and agrees with Seller as follows:

1. Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of North Carolina and has full power to carry on its business as now being conducted.
2. The execution of this Agreement and all documents provided for in this Agreement by Buyer and its delivery to Seller have been duly authorized by Buyer's members, and no further action is necessary on Buyer's part to make this Agreement valid and binding on Buyer in accordance with its terms.
3. It will be in a position financially to fulfill the terms of this Agreement as of the Date of Closing.
4. It will use its best efforts in the operation of the System so as to meet all obligations required by this Agreement.
5. The Buyer will assume the operation of the System at Closing so as to meet all obligations required by this Agreement and those continuing after Closing.
6. Buyer has not employed any broker or agent with respect to the sale and purchase contemplated by this Agreement, nor taken any other action, nor will Buyer take any such action, that would cause Seller to become liable for the payment of any finder's fee, broker's fee, or commission.

SECTION SEVEN
OTHER AGREEMENTS

1. The Buyer is not assuming any liabilities in connection with the System that were incurred prior to the Date of Closing.
2. Pending Closing, the Seller shall have the sole responsibility for the operation and management of the System as a going concern.
3. The Seller shall indemnify and hold the Buyer harmless from and against any and all claims or actions which may be brought against the Buyer arising out

of the ownership or operation of the System where such claims or actions related to matters occurring prior to the Date of Closing. This indemnification shall include reasonable attorney's fees and costs incurred by Buyer.

4. The Buyer shall indemnify and hold the Seller harmless from and against any and all claims or actions which may be brought against the Seller arising out of the ownership or operation of the System where such claims or actions related to matters occurring after the Date of Closing. This indemnification shall include reasonable attorney's fees and costs incurred by Seller.
5. Seller further agrees to indemnify and hold the Buyer and its successors and assigns harmless from and against any and all liabilities, claims, actions, suits, and judgments existing prior to the Closing and not expressly assumed by the Buyer in writing, and any costs, expenses, and reasonable attorney's fees incident to same, and incurred by the Buyer in defense of same. The Buyer agrees to provide notice of any such claim to the Seller within (10) days of it being made, and to allow the Seller the right to defend the claim prior to paying it or making any claim to the Seller regarding it. This indemnification and agreement to hold the Buyer harmless shall apply to, but not be limited to, the following:
 - a. All liabilities of the Seller and the System, of any kind or nature, whether accrued, absolute, contingent, or otherwise existing at or prior to the Closing Date;
 - b. Any tort liability of any kind or nature arising from a tort or legal wrong committed by Seller or its employees or agents, prior to the Date of Closing;
 - c. Any violation by Seller or Seller's agents of any laws, statutes, rules, regulations, including those related to toxic or hazardous substances, prior to the Date of Closing; and
 - d. All actions, suits, proceedings, demands, assessments, judgments, reasonable costs and expenses incident to any of the foregoing.
6. Pending the closing of this transaction, Buyer shall exercise no control over the operation of the System, except to acknowledge that Buyer's affiliated

company, Goldie & Associates, is under contract with Seller to maintain the System for the benefit of Seller. The operations of Seller shall be Seller's sole responsibility up to and including the Date of Closing, or any extension of it, and all risks of loss of Seller during that time shall be borne by Seller.

7. Seller shall be responsible for the payment of all utility services, such as electricity, incurred by it with respect to the System up to the date of Closing. Buyer shall be responsible to have such utility services transferred to its name from and after the date of Closing and to be responsible for the payment of such services from and after Closing.

SECTION EIGHT **EXHIBITS INCORPORATED BY REFERENCE**

All exhibits referred to in this Agreement are incorporated herein by reference for all purposes.

SECTION NINE **ADDITIONAL DOCUMENTS**

The parties agree to execute all documents as may be necessary to carry out the intent and provisions of this Agreement.

SECTION TEN **GENERAL**

1. Buyer herein agrees that, following Closing, it will be subject to and will abide by the terms, provisions and covenants of the Declaration of Protective Covenants for Cedar Ridge Estates (the "Declaration") and the Architectural Specifications and Guidelines of the POA (the "Architectural Guidelines"), as a tenant holding an estate for years in a lot in the Subdivision. However, because Buyer is a tenant and not the fee owner of the Lot and because the Lot is not one that has been subject to dues and assessments, Seller herein agrees that, notwithstanding that Buyer will be subject to the Declaration and the Architectural Guidelines, Buyer will be exempt from having to pay any dues and/or assessments with respect to the Lot. The provisions of this section will survive the Closing and will be binding on Buyer and will inure to the benefit of Buyer for as long as it is a tenant under the Lease.

2. Prior to the commencement of utility service for lot owners not already having water service as of the date of Closing, lot owners within the Subdivision shall be responsible for the payment to Utility of a water tap-on fee, at the rate in effect for tap-on fees at that time, which fee will have been previously approved by the NCUC. Such fees, usage and all other incidental rates and charges shall be rendered by Utility in accordance with Utility's rates, rules, regulations and conditions of service as approved by the North Carolina Utilities Commission from time to time and then in effect.
3. No connections are to be made to the System unless approved by Utility.
4. From and after the Closing, Utility warrants and agrees that it shall provide all property owners within the Subdivision with good, adequate and customary water utility service at reasonable rates, such rates to have been approved by the NCUC. Utility further warrants and represents that it shall operate, maintain and repair the System promptly and in a good and workmanlike manner and in such a manner as to not impair its ability to fulfill its obligation to provide good, adequate and customary water utility service to the Subdivision.
5. In the event the Utility decides to sell the System to another utility company, it agrees that it will consult with Seller prior to doing so to obtain the consent of Seller with respect to the prospective purchaser. If Seller does not approve of the prospective purchaser, Seller shall have ninety (90) days to identify an alternative purchaser of the System who would be willing to buy the System on the same terms and conditions as the purchaser selected by Utility. If Seller is unable to identify such an alternative purchaser within the said ninety (90) day period, Utility shall be free to sell the System to its original purchaser. In all events, the sale of the System by Utility shall be subject to the approval of NC DENR and NCUC.

SECTION ELEVEN
MISCELLANEOUS

1. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or any

other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

2. In the event of the bringing of any action or suit by a party hereto against another party by reason of any breach of any of the covenants, agreements, or provisions on the part of any party arising out of this Agreement, then, in that event, the prevailing party shall be entitled to have and to recover of and from the other party all costs and expenses of the action or suit, including reasonable attorney's fees and any other professional fees resulting therefrom.
3. The parties hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation, and provision hereof and that failure to perform timely any of the terms, conditions, obligations or provisions hereof by any party shall constitute a material breach thereof and a noncurable (but waivable) default under this Agreement by the parties so failing to perform.
4. The parties hereto acknowledge that this Agreement has been negotiated and entered into in the State of North Carolina. The parties expressly agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of North Carolina.
5. The representations, warranties, rights, duties, agreements and obligations of the parties provided in this Agreement shall survive the Closing, and this Agreement shall specifically survive the Closing.
6. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
7. This Agreement can only be amended or supplemented by a written agreement signed by the parties hereto. It may not be orally modified or changed.

The remainder of this page intentionally left blank.

Witnesses as to Seller:

Janet Moore
Print Name: Janet Moore

Ronald L. Keller
Print Name: RONALD L. Keller

Cedar Ridge Estates Property Owner's
Association

BY: Kaye Keller
Printed Name: Kaye Keller
ITS: President

Witnesses as to Buyer:

Sheila Tinsley
Print Name: Sheila Tinsley

Belinda Siker
Print Name: Belinda Siker

JACABB Utilities, LLC

BY: Stephen R. Goldie
Printed Name: Stephen R. Goldie
ITS: Managing Owner

EXHIBIT "A"

I. List of Assets of the System Being Transferred

1. Well #1 - Diameter 6"
Approximate depth 1,000 ft
Estimated capacity 15 gpm (untested)
Pump – Goulds 10GS50 (5 hp)
Pump setting depth – approximately 700 ft
2. Well # 2 - Diameter 6"
Reported depth 450 ft
Reported Capacity 15 gpm
Pump – Unknown
Reported pump setting depth – 430 ft
3. Well # 3 Diameter 6"
Depth 950 ft
Capacity 7 gpm
Pump – goulds 10GS50 (5 hp)
Pump Setting Depth – approximately 860 ft
4. One (1) each – 25,000 gallon welded steel ground-level water storage tank
(repainted April 2008)
5. One (1) each – 2,500 gallon welded steel hydropneumatic pressure tank
(100 psi)
6. Two (2) each – 45 gpm water booster pumps (Goulds Model 45HB15013)
7. Sodium hypochlorite and soda ash chemical treatment equipment for
Wells 1 and 2
8. Sodium phypchlorite chemical treatment for Well #3
9. Distribution system – water mains and appurtenances
 - a. 4" SDR 21 PVC pipe – approximately 6,160 lf
 - b. 3" SDR 21 PVC pipe – approximately 3,370 lf
 - c. 2" SDR 21 PVC pipe – approximately 5,200 lf

II. Interests in Real Estate Being Transferred

1. Well and Water Rights with respect to Well #2, said well being on Tract Two as described in Deed at Deed Book 698, Page 723, all as more particularly described in Warranty Deed recorded at Deed Book 816, Page 291.

2. Central Water System of Cedar Ridge Estates, including Well #1 and Well #2 as described in Warranty Deed recorded at Deed Book 828, Page 440.

3. Well and Water rights with respect to Well #3 located on the Water Tank Lot, as described in **Exhibit "B"** attached hereto.

III. Easements Being Transferred and Conveyed

All of Seller's right, title and interest in and to the following:

1. Easement for access to Well #2 as described in Deed Book 816, Page 291.
2. Protective Easement in a radius of 100' from Well #2 as described in Deed Book 816, Page 291.
3. Protective Easement as described at Deed Book 816, Page 285.
4. Protective Easement as described at Deed Book 816, Page 287.
5. Protective Easement as described at Deed Book 816, Page 289.
6. Protective Easement as described at Deed Book 1724, Page 308.
7. Protective Easement as described at Deed Book 1724, Page 312.
8. Easement from Seller to Utility along all roads and rights-of-way owned by the Seller in Cedar Ridge Estates Subdivision for ingress and egress to and from all the subdivision lots within the Subdivision and for the purpose of having access to those components of the System that are within said rights-of-way for purposes of upkeep, maintenance, repair and replacement. .
9. Seller's easement rights along all lot lines for the installation, maintenance and operation of the Facilities, such easement rights having been granted to Seller in the Declaration of Protective Covenants for Cedar Ridge Estates.

EXHIBIT "B"

WATER TANK LOT

That certain lot located between Lots 33 and 49 of Cedar Ridge Estates, more particularly described as follows:

BEGINNING at an iron bar in the line of Ledbetter, Ltd., being the northwesterly corner of Lot 33, Cedar Ridge Estates, as shown on a plat thereof recorded in Plat cabinet 4, Slide 79, Jackson County Registry, and running thence: S 21° 55' 40" E 265.78 feet along the westerly line of Lot 33 to an iron bar at the northerly right-of-way line of Upper Ridge Road; thence the following two courses along said right-of-way; thence, N 84° 55' 48" W 37.10 feet to a point of curvature; thence, along a curve to the left, having a radius of 315.00 feet and an arc length of 45.00 feet, to an iron bar at the southeasterly corner of Lot 49; thence, N 21° 55' 40" W 289.08 feet along the easterly line of Lot 49 to an iron bar in the line of Ledbetter, Ltd.; thence, S 74° 11' 10" E 94.17 feet along said line to the point of BEGINNING. Containing 0.47 acre, more or less.

LESS AND EXCEPT the 310 square feet of property that is the subject of that certain Headend Lease Agreement dated June 7, 1989 between Cedar Ridge Estates, Inc., as landlord, and Phoenix Cable Income Fund, as tenant, as such lease was assigned to Northland Cobb Properties Six Limited Partnership by that certain Assignment and Assumption and Amendment of Lease, dated December 20, 1995, recorded in Book 914, page 501 of the Jackson County, North Carolina Records.

EXHIBIT B

**ORDER GRANTING
FRANCHISE, APPROVING
RATES, AND REQUIRING
CUSTOMER NOTICE**

DOCKET NO. W-1298, SUB 0

In the Matter of

BY THE COMMISSION: On July 19, 2011, JACABB Utilities, LLC (Applicant), filed an application with the Commission seeking a certificate of public convenience and necessity for providing water utility service in the 60-lot Cedar Ridge Estates Subdivision in Jackson County, North Carolina, and approval of rates. The Applicant states that it provides water utility service as the contract operator to 37 residential customers who are not being charged individually for those services and that no other person or utility seeks to provide the utility services proposed. The Applicant operates a community well system, with 3 wells, 27,500 gallons of storage, and chemical treatment.

FINDINGS OF FACT

1. This is the first franchise sought by the Applicant. Currently there are 37 customers. The Applicant stated that it is not charging rates. The Applicant proposes to serve the 60 current customers.
2. The Public Staff has recommended that the Applicant be required to post a \$10,000 bond for Cedar Ridge Estates Subdivision. The Applicant has filed a \$10,000 corporate surety bond.

3. The Applicant's proposed rates and the Public Staff's recommended rates are as follows:

Quarterly Metered Water Utility Service Rates:

A. Base charge, includes first 10,500 gallons of usage

Residential Rate, 5/8 x 3/4-inch meter	\$ 105.00
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Commercial and Others

5/8 x 3/4-inch meter	\$ 105.00
3/4-inch meter	\$ 126.00
1-inch meter	\$ 168.00
1 1/2-inch meter	\$ 291.00
2-inch meter	\$ 426.00
3-inch meter	\$ 675.00
4-inch meter	\$1,185.00
6-inch meter	\$2,250.00

B. Usage charge, per 1,000 gallons, after first 10,500 gallons

10,501 to 15,000 gallons	\$ 3.75
15,001 to 24,000 gallons	\$ 7.00
24,001 and above	\$ 12.00

New Customer Administrative Charge: \$ 25.00

New Customer Connection Fee

5/8 x 3/4-inch meter	\$ 500.00
All other meter sizes	Actual cost of installation

4. The Applicant operates a community well system, with 3 wells, 27,500 gallons of storage, and chemical treatment.

5. The Applicant has the technical, managerial and financial capacity to provide water utility service for Cedar Ridge Estates Subdivision in Jackson County, North Carolina.

6. The Applicant has filed all exhibits required with the application.

7. On July 11, 2011, the Cedar Ridge Estates Property Owner's Association (POA) and the Applicant entered into a Water System Asset Purchase Agreement for the existing water supply and distribution system, subject to the prior approval by the North Carolina Department of Environment and Natural Resources (DENR) and the Commission.

8. Previously, DENR approved plans for water utility service in phases, as follows: Well No. 1 on September 8, 1989 (revised May 17, 1990); Well No. 2 on February 24, 1993; and Well No. 3, on May 27, 2008.

9. Included in the application was a request for waiver of the requirement in Commission Rule R7-3(a) that records of the utility be kept at the office or offices of the utility in North Carolina. The Applicant requested that it be allowed to keep its records at its office in Seneca, South Carolina, and stated that it will make the records available in North Carolina when requested by the Commission or the Public Staff. The Public Staff stated to the Commission that the Public Staff believes the requested waiver is reasonable and should be granted.

Based upon the foregoing, the Commission is of the opinion that \$10,000 corporate surety bond should be accepted and approved; that the water utility franchise requested by the Applicant in Cedar Ridge Estates Subdivision should be granted; and that the requested rates should be approved. The Commission further concludes that the requested waiver be granted.

IT IS, THEREFORE, ORDERED as follows:

1. That the \$10,000 corporate surety bond filed in this proceeding is accepted and approved.

2. That the Applicant is granted a certificate of public convenience and necessity to provide water utility service in Cedar Ridge Estates Subdivision in Jackson County, North Carolina. The service area covered in the franchise is the area shown on the plans attached as Exhibit 10 (labeled Exhibit 5) to the application form filed in this docket.

3. That Appendix A constitutes the Certificate of Public Convenience and Necessity.

4. That the Schedule of Rates attached as Appendix B is approved for water utility service in Cedar Ridge Estates Subdivision. Said Schedule of Rates is authorized to become effective for service rendered on and after the date of this Order.

5. That Applicant is granted a waiver of Commission Rule R7-3(a) and may keep the records of its North Carolina utility operations at Applicant's office in Seneca, South Carolina, but Applicant shall make the records available in North Carolina when requested by the Commission or the Public Staff.

6. That existing customers will not pay any meter installation fee or new customer administrative charge.

7. That the Applicant shall keep its records at its office in Seneca, South Carolina, but will make the records available in North Carolina upon request by the Commission or the Public Staff.

8. That the Notice to Customers, attached as Appendix B, be mailed with sufficient postage or hand delivered by the Applicant to all customers in Cedar Ridge Estates no later than 7 days after the date of this Order; and that the Applicant submit to the Commission the attached Certificate of Service properly signed and notarized not later than 10 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of May, 2012.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Chief Clerk

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